CONCORDIA UNIVERSITY

BOARD OF GOVERNORS

CONCORDIA EMPLOYEE BENEFITS COMMITTEE

Meeting of May 15th, 1979

Attendance: Mr. H. Hemens, Chairman, Mr. E.A. Lemieux, Mr. A. Duff
Prof. G. Potter, Prof. C. Goldman, Mr. P.A. Wolf,
Mr. W.M. Reay, Prof. G. Martin, Mr. C. Waters, Miss M.D. Johnson
Mr. Brochu of William M. Mercer Ltd., Miss J. Dionne of Wood
Gundy Ltd., Messrs. Fawcett and Riddell of McLean Budden Limited.

Investment Performance Year Ending December 31st, 1978

Miss Dionne of Wood Gundy presented the Comparative Measurement Report of the funds under McLean Budden's management.

She demonstrated that while the equity performance had shown much improvement, the total fund results remained in the fourth quartible compared to the other measured funds. This was partially due to poorer earnings in the bond and mortgage portfolios but mainly due to the investment mix which was heavily weighted towards debt content.

It was conceded that the Committee's constraints on equity purchased during part of 1978 had had some negative effect on performance. McLean Budden admitted that this did not exonerate them from the poor performance of the years prior to 1978.

Fixed Income results in 1978 were poorer relative to the other funds due to the increased interest rates. McLean Budden stated that they had been premature in changing from short term to longer term securities in that interest rates did not stabilise or decline as they had predicted.

Mr. Lemieux commented that, in his opinion, bonds were purchased for income and that market value was of lesser significance.

Professor Potter commented that by setting investment mix limits, the Committee could not avoid the responsibility of performance in inferior results were due to poor investment mix strategy.

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In answer to Prof. Potter's question Mr. Fawcett of McLean Budden stated that four years was an adequate period in which to evaluate fund management.

Professor Potter asked if it was current practice to set objectives. Mr. Fawcett replied that some organizations set a flat percentage as on objective, others set C.P.I. increase plus a flat 2%.

After Messrs. Fawcett and Riddell of McLean Budden and Miss Dionne of Wood Gundy had left a discussion ensued regarding the advisability of seeking other investment counsel.

Mr. Brochu suggested that before calling in other firms to make presentations, that it might be an idea for the Committee to define its investment policy. The resultant policy could well influence the selection of candidate money mangers.

It was agreed that the Chairman would organize an ad hoc committee. This committee would be charged with how to best go about the selection of candidate firms. It would report to the Concordia Employee Benefits Committee.

The meeting terminated at 2:30 p.m.